

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

<b>OMB APPROVAL</b>	
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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

<p>1. Name and Address of Reporting Person*</p> <p><u>ROWAN FREDERICK J II</u></p> <p>(Last) (First) (Middle)</p> <p><u>C/O CARTER'S, INC., THE PROSCENIUM</u></p> <p><u>1170 PEACHTREE ST. NE, SUITE 900</u></p> <p>(Street)</p> <p><u>ATLANTA GA 30309</u></p> <p>(City) (State) (Zip)</p>	<p>2. Issuer Name and Ticker or Trading Symbol</p> <p><u>CARTERS INC [ CRI ]</u></p> <p>3. Date of Earliest Transaction (Month/Day/Year)</p> <p><u>10/27/2006</u></p> <p>4. If Amendment, Date of Original Filed (Month/Day/Year)</p>	<p>5. Relationship of Reporting Person(s) to Issuer (Check all applicable)</p> <p><input checked="" type="checkbox"/> Director 10% Owner</p> <p><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)</p> <p style="text-align: center;"><u>Chief Executive Officer</u></p> <p>6. Individual or Joint/Group Filing (Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person</p> <p><input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	10/27/2006		M		105,000	A	\$0.75 <sup>(1)</sup>	105,000	D	
Common Stock	10/27/2006		S		105,000	D	\$29.3112	0	D	
Common Stock	10/30/2006		M		195,000	A	\$0.75 <sup>(1)</sup>	195,000	D	
Common Stock	10/30/2006		S		195,000	D	\$28.6071	0	D	
Common Stock	10/31/2006		M		120,000	A	\$0.75 <sup>(1)</sup>	120,000	D	
Common Stock	10/31/2006		S		120,000	D	\$28.1628	0	D	

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Rolled Employee Stock Option (Right to Buy)	\$0.75 <sup>(1)</sup>	10/27/2006		M		105,000		08/15/2001 <sup>(2)</sup>	08/15/2011	Common Stock	1,489,756 <sup>(3)</sup>	\$0	1,489,756 <sup>(3)</sup>	D	
Rolled Employee Stock Option (Right to Buy)	\$0.75 <sup>(1)</sup>	10/30/2006		M		195,000		08/15/2001 <sup>(2)</sup>	08/15/2011	Common Stock	1,294,756 <sup>(3)</sup>	\$0	1,294,756 <sup>(3)</sup>	D	
Rolled Employee Stock Option (Right to Buy)	\$0.75 <sup>(1)</sup>	10/31/2006		M		120,000		08/15/2001 <sup>(2)</sup>	08/15/2011	Common Stock	1,174,756 <sup>(3)</sup>	\$0	1,174,756 <sup>(3)</sup>	D	
Performance Employee Stock Option (Right to Buy)	\$22.01 <sup>(1)</sup>							(4)	05/13/2012	Common Stock	400,000 <sup>(3)</sup>		400,000 <sup>(3)</sup>	D	
Employee Stock Option (Right to Buy)	\$3.08 <sup>(1)</sup>							(5)	08/15/2011	Common Stock	1,060,710 <sup>(3)</sup>		1,060,710 <sup>(3)</sup>	D	

**Explanation of Responses:**

- The exercise price of the derivative securities reported in this Form 4 reflect a two-for-one stock split effected on June 6, 2006 (the "Stock Split").
- These options became 100% exercisable upon the date of Mr. Rowan's Restated Stock Option Agreement on August 15, 2001.
- The amount of securities beneficially owned following the transactions reported in this Form 4 reflects the Stock Split.
- These options are performance options that vest upon the achievement of defined performance criteria.
- These options are all exercisable.

/s/ Fredrick J. Rowan, II

10/31/2006

\*\* Signature of Reporting Person

Date

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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